



SOUTH CAROLINA LOCAL GOVERNMENT INVESTMENT POOL

Curtis M. Loftis, Jr., Treasurer

Administered by South Carolina State Treasurer's Office

TREASURER'S MESSAGE



Curtis M. Loftis, Jr.
Treasurer

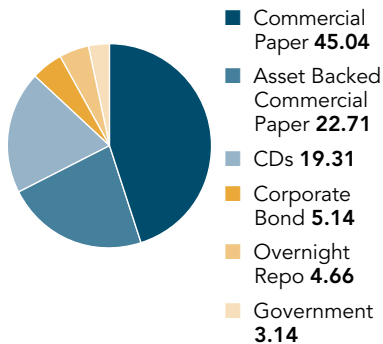
The fed funds rate has held steady despite the many headlines at home and abroad. This "wait and see" approach from the Fed has helped maintain the attractive yields we have seen in the South Carolina Local Government Investment Pool over the last quarter. We will also likely see some personnel changes at the Fed, with Kevin Warsh being nominated as the new chair.

As we continue moving through the year, it's important to remember the value in the safety, liquidity and competitive return the South Carolina LGIP provides its participants.

We appreciate your trust and partnership as we work to uphold the highest standard of financial stewardship in an evolving market landscape.

LGIP AT A GLANCE

PORTFOLIO COMPOSITION (%) AS OF 3/31/26



MARCH 31, 2026

- Pool Balance: \$17,100,548,802.25
- LGIP Rate: 3.86%

LGIP PARTICIPANT BREAKDOWN

- 41 Counties
- 124 Municipalities
- 87 School Districts
- 98 Special Purpose Districts
- 19 Disability and Special Needs
- 10 Council of Government

HIGHLIGHTS

- LGIP is an investment mechanism administered by South Carolina's State Treasurer to provide local governments an opportunity to acquire maximum returns on investments by pooling available funds with funds from other political subdivisions.
- LGIP seeks to preserve capital through prudent management and sound investment policies. LGIP offers participants an investment option for operating capital consistent with their investment time horizons.

PORTFOLIO OVERVIEW AS OF 3/31/26

- Weighted Average Maturity: 61 Days
- Weighted Average Life: 89 Days
- iPAS allows participants to stay up to date on account information, including transactions.

Visit the iPAS website here:

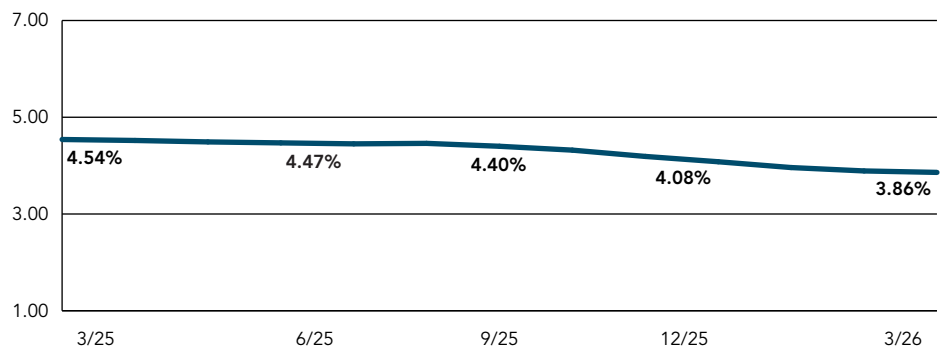
<https://lgip.sc.gov/iPAS/login.ipas>

Visit the LGIP website here:

<https://www.treasurer.sc.gov/what-we-do/for-governments/local-government-investment-pool>

LGIP MONTHLY RATE (%)

The high fed funds rate is holding the current plateau. The Pool continues to take advantage of these higher rates which is reflected in the monthly yield.



LOOKING FOR MERCHANT CARD SERVICES?

Did you know that local governments in South Carolina can choose to participate in the State Treasurer's merchant card contract with First Data Merchant Services, LLC? Participating in the State Treasurer's merchant card contract may help you lower your processing fees plus save you time and resources in procuring a merchant card provider.

For more information, please reach out to Rick Morrison at First Data Merchant Services, LLC at 614-736-1247 or rick.morrison@fiserv.com. You can also access the State Treasurer's merchant card contract, called the Payment Solutions Agreement, on the Treasurer's website.

COMMENTARY

In the liquidity space, the first quarter of the year typically sees outflows due largely to a reversal of year-end window-dressing, the corporate tax date on March 15 and preparation for individual tax payments in April. Not so this year. Total industry money market fund assets under management held firm. What accounts for the difference? Lower tax payments due to the One Big Beautiful Bill likely played a role, but logic would point you to the US and Israel's attack on Iran in February. In such situations, investors often increase their holdings of liquidity or stable value products.

Yet the Iran conflict only accounted for one-third of the first quarter. Substantial assets poured into liquidity products in January and February, pushing industry money market assets to all-time highs in the week just before the attacks. Thankfully, the reason for this was positive — the attractive yields stemming from the elevated fed funds rate. In other words, cash is an asset class—gaining favor on its own merits, rather than a counter to geopolitical upheaval or anxiety over stocks.

Time will tell, but the war is likely to keep Federal Reserve (the Fed) policymakers on the sidelines longer. They maintained the target range of 3.50-3.75% over the reporting period and projected one additional quarter-point cut this year. If the spike in oil prices causes inflation to do an about face, it is unlikely the Fed will move at all this year.

The drama surrounding the Fed took a back seat to coverage of the Iran war, but little progress has been made. In mid-March, a federal judge dismissed the Department of Justice (DOJ) probe of Chair Jerome Powell. But the US attorney for Washington, D.C., said she would appeal. That overhang is preventing the Senate banking committee from sending Trump's nominee, Kevin Warsh, to a confirmation vote. Powell addressed the situation again at the March Federal Open Market Committee meeting, announcing his intention to serve as chair pro tempore until the Senate confirms his successor, pointing to precedent and saying he will stay on the Fed's Board of Governors until the DOJ probe is "well and truly over."

At quarter-end, yields on 1-, 3-, 6- and 12-month US Treasuries were 3.70%, 3.68%, 3.70% and 3.66%, respectively.

CONTACT INFORMATION

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If you have any questions about LGIP please email sto.lgip@sto.sc.gov

Portfolio composition is subject to change.

An investment in LGIP is not insured or guaranteed by any government or government agency.

For more complete information, see the investment policy and information statement at treasurer.sc.gov.